

WEST VIRGINIA SECURITIES COMMISSION

STATEMENT OF POLICY

Promoter's Equity Investment

June 28, 2010

This Statement of Policy is adopted by the West Virginia Securities Commission pursuant to the authority of the Securities Commissioner of the State of West Virginia granted under Chapter 32 of the West Virginia Code. The West Virginia Securities Commissioner has determined that the following Statement of Policy relating to promoter's equity investment is consistent with public investor protection and is in the public interest. The Commissioner may waive any requirement of this Statement of Policy for good cause, as he may determine.

I. APPLICATION

This statement of policy applies to all applications to register by coordination or by qualification.

II. DEFINITIONS

The terms used in this Statement of Policy are defined pursuant to the West Virginia Securities Commission Statement of Policy regarding Corporate Securities Definitions unless specifically stated otherwise within this Statement of Policy, or when the context clearly indicates otherwise.

III. DENIAL OF SECURITIES REGISTRATION

The Commissioner may deny registration for a public offering by a promotional or development stage company if the promoters' equity investment is less than:

- A.** Ten percent (10%) of the first \$1,000,000 of the aggregate public offering, and
- B.** Seven percent (7%) of the next \$500,000 of the aggregate public offering, and

- C.** Five percent (5%) of the next \$500,000 of the aggregate public offering, and
- D.** Two and one-half percent (2 ½%) of the balance over \$2,000,000. The promoter may include items to meet this requirement if the Commissioner has accepted their value.

Glen B. Gainer, III
State Auditor
Commissioner of Securities

By: Lisa A. Hopkins
General Counsel
Senior Deputy Commissioner of Securities

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